

TODTMAN, NACHAMIE, SPIZZ & JOHNS, P.C.  
**Proposed Attorneys for Sid's Hardware & Homecenter Corp.**  
 Debtor and Debtor-in-Possession  
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 Alex Spizz (AS-5508)  
 Arthur Goldstein (AG-8735)  
 Jill L. Makower (JM-4842)

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In re: \_\_\_\_\_

Chapter 11  
Case No.

1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072 2073 2074 2075 2076 2077 2078 2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089 2090 2091 2092 2093 2094 2095 2096 2097 2098 2099 2100 2101 2102 2103 2104 2105 2106 2107 2108 2109 2110 2111 2112 2113 2114 2115 2116 2117 2118 2119 2120 2121 2122 2123 2124 2125 2126 2127 2128 2129 2130 2131 2132 2133 2134 2135 2136 2137 2138 2139 2140 2141 2142 2143 2144 2145 2146 2147 2148 2149 2150 2151 2152 2153 2154 2155 2156 2157 2158 2159 2160 2161 2162 2163 2164 2165 2166 2167 2168 2169 2170 2171 2172 2173 2174 2175 2176 2177 2178 2179 2180 2181 2182 2183 2184 2185 2186 2187 2188 2189 2190 2191 2192 2193 2194 2195 2196 2197 2198 2199 2200 2201 2202 2203 2204 2205 2206 2207 2208 2209 2210 2211 2212 2213 2214 2215 2216 2217 2218 2219 2220 2221 2222 2223 2224 2225 2226 2227 2228 2229 2230 2231 2232 2233 2234 2235 2236 2237 2238 2239 2240 2241 2242 2243 2244 2245 2246 2247 2248 2249 2250 2251 2252 2253 2254 2255 2256 2257 2258 2259 2260 2261 2262 2263 2264 2265 2266 2267 2268 2269 2270 2271 2272 2273 2274 2275 2276 2277 2278 2279 2280 2281 2282 2283 2284 2285 2286 2287 2288 2289 2290 2291 2292 2293 2294 2295 2296 2297 2298 2299 2300 2301 2302 2303 2304 2305 2306 2307 2308 2309 2310 2311 2312 2313 2314 2315 2316 2317 2318 2319 2320 2321 2322 2323 2324 2325 2326 2327 2328 2329 2330 2331 2332 2333 2334 2335 2336 2337 2338 2339 2340 2341 2342 2343 2344 2345 2346 2347 2348 2349 2350 2351 2352 2353 2354 2355 2356 2357 2358 2359 2360 2361 2362 2363 2364 2365 2366 2367 2368 2369 2370 2371 2372 2373 2374 2375 2376 2377 2378 2379 2380 2381 2382 2383 2384 2385 2386 2387 2388 2389 2390 2391 2392 2393 2394 2395 2396 2397 2398 2399 2400 2401 2402 2403 2404 2405 2406 2407 2408 2409 2410 2411 2412 2413 2414 2415 2416 2417 2418 2419 2420 2421 2422 2423 2424 2425 2426 2427 2428 2429 2430 2431 2432 2433 2434 2435 2436 2437 2438 2439 2440 2441 2442 2443 2444 2445 2446 2447 2448 2449 2450 2451 2452 2453 2454 2455 2456 2457 2458 2459 2460 2461 2462 2463 2464 2465 2466 2467 2468 2469 2470 2471 2472 2473 2474 2475 2476 2477 2478 2479 2480 2481 2482 2483 2484 2485 2486 2487 2488 2489 2490 2491 2492 2493 2494 2495 2496 2497 2498 2499 2500 2501 2502 2503 2504 2505 2506 2507 2508 2509 2510 2511 2512 2513 2514 2515 2516 2517 2518 2519 2520 2521 2522 2523 2524 2525 2526 2527 2528 2529 2530 2531 2532 2533 2534 2535 2536 2537 2538 2539 2540 2541 2542 2543 2544 2545 2546 2547 2548 2549 2550 2551 2552 2553 2554 2555 2556 2557 2558 2559 2560 2561 2562 2563 2564 2565 2566 2567 2568 2569 2570 2571 2572 2573 2574 2575 2576 2577 2578 2579 2580 2581 2582 2583 2584 2585 2586 2587 2588 2589 2590 2591 2592 2593 2594 2595 2596 2597 2598 2599 2600 2601 2602 2603 2604 2605 2606 2607 2608 2609 2610 2611 2612 2613 2614 2615 2616 2617 2618 2619 2620 2621 2622 2623 2624 2625 2626 2627 2628 2629 2630 2631 2632 2633 2634 2635 2636 2637 2638 2639 2640 2641 2642 2643 2644 2645 2646 2647 2648 2649 2650 2651 2652 2653 2654 2655 2656 2657 2658 2659 2660 2661 2662 2663 2664 2665 2666 2667 2668 2669 2670 2671 2672 2673 2674 2675 2676 2677 2678 2679 2680 2681 2682 2683 2684 2685 2686 2687 2688 2689 2690 2691 2692 2693 2694 2695 2696 2697 2698 2699 2700 2701 2702 2703 2704 2705 2706 2707 2708 2709 2710 2711 2712 2713 2714 2715 2716 2717 2718 2719 2720 2721 2722 2723 2724 2725 2726 2727 2728 2729 2730 2731 2732 2733 2734 2735 2736 2737 2738 2739 2740 2741 2742 2743 2744 2745 2746 2747 2748 2749 2750 2751 2752 2753 2754 2755 2756 2757 2758 2759 2760 2761 2762 2763 2764 2765 2766 2767 2768 2769 2770 2771 2772 2773 2774 2775 2776 2777 2778 2779 2780 2781 2782 2783 2784 2785 2786 2787 2788 2789 2790 2791 2792 2793 2794 2795 2796 2797 2798 2799 2800 2801 2802 2803 2804 2805 2806 2807 2808 2809

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF KINGS )

1. I am the President and sole shareholder of Sid's Hardware & Homecenter Corp., (the "Debtor"). As such, I am familiar with the Debtor's operations, business and financial affairs.

2. I submit this affidavit pursuant to Rule 1007(d) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 1007-4 of the Local Rules for the United States Bankruptcy Court for the Eastern District of New York (the "Local Rules").

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leading to the commencement of this Chapter 11 case. Part II provides for information required by Local Bankruptcy Rule 1007-4.

## **PART I**

### **BACKGROUND**

4. The Debtor, a New York corporation, operates a 27,000 square foot hardware lumber yard and home center at 345 Jay Street, Brooklyn, New York. The Debtor, which has been serving Brooklyn since 1932, is also a True Value and Benjamin Moore retailer.

5. The Debtor intends to use the Chapter 11 proceeding to restructure its debts, locate and move to alternate space while taking advantage of current revenue streams, thereby enabling it to fund a plan of reorganization.

## **PART II**

### **INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007**

6. In addition to the foregoing, Local Bankruptcy Rule 1007-4 requires certain information related to the Debtor, which is set forth below.

#### **Local Rule 1007-4(a)(i)**

7. The Debtor is a Small Business Debtor. The Debtor has attached to its voluntary petition, its most recent balance sheet, statement of operations, cash flow statement and federal income tax return.

#### **Local Rule 1007-4(a)(ii)**

8. The Debtor operates a hardware, lumber yard and home center at its business premises located at 345 Jay Street, Brooklyn, New York (commonly known as One Metrotech Center). The Debtor and its predecessors have been in business in

Brooklyn, New York since 1932. In 1990 the Debtor moved into a 27,000 square foot premises at its present location at 345 Jay Street, Brooklyn, New York. At the time of the move the Debtor was the first of what it hoped would be many commercial and residential tenants in and around the area. Unfortunately, the area failed to revitalize as quickly as the Landlord, local community leaders and politicians anticipated. During the next 18 years recessions and downturns in the economy continued such that to this day the area is still not completely revitalized. Many of the area's residential and commercial space remain vacant. At the time of the Debtor's move to its present location, the Debtor essentially doubled its space based upon its belief that the surrounding area would revitalize and that its customer base would increase accordingly. In the present economic climate, the Debtor's monthly rent including taxes and miscellaneous charges continue to increase.

9. In September 2007, the Debtor reached a letter agreement with its landlord whereby the Debtor agreed to pay its then outstanding arrears on a monthly basis through February 1, 2012. Unfortunately since the time the agreement was made, the Debtor has seen its sales drop approximately thirty (30%) percent due to the present recession and the area still not yet completely revitalized. As a result, the Debtor has not been able to make all of the payments set forth in the letter agreement. The landlord has terminated the letter agreement and demanded the full amount that the landlord asserts is presently in arrears. In this climate, the Debtor was compelled to seek Chapter 11 bankruptcy protection. The Debtor believes that its core business is strong and that it will be able to utilize the filing to restructure its obligations and reorganize under the aegis of the Bankruptcy Court.

**Local Rule 1007-4(a)(iii)**

10. This case was not originally commenced under Chapter 7 or 13 of the United States Code, 11 U.S.C. §§ 101, et seq., as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (the "Bankruptcy Code").

**Local Rule 1007-4(a)(iv)**

11. Upon information and belief, no committee was organized prior to the order for relief in this Chapter 11 case.

**Local Rule 1007-4(a)(v)**

12. A list of the names and addresses of the Debtor's 20 largest unsecured claims, excluding those who would not be entitled to vote at a creditors' meeting under 11 U.S.C. Section 702; those who were employees of the Debtor at the Filing Date, and creditors who are "insiders" as that term is defined in 11 U.S.C. Section 101(31) is annexed hereto as **Schedule I**.

**Local Rule 1007-4(a)(vi)**

13. The Debtor has no secured creditors.

**Local Rule 1007-4(a)(vii)**

14. A summary of the Debtor's assets and liabilities is annexed as **Schedule II**.

**Local Rule 1007-4(a)(viii)**

15. There are no publicly held securities of the Debtor. Galit Gold is the Debtor's sole shareholder.

**Local Rule 1007-4(a)(ix)**

16. None of the Debtor's property is in the possession of any custodian, public

officer, mortgagee, pledge, assignee of rents, or secured creditor, or any agent for such entity.

**Local Rule 1007-4(a)(x)**

17. The Debtor's 27,000 square foot premises and office is located at 345 Jay Street, Brooklyn, New York 11201, pursuant to lease agreement dated October 16, 1990 as amended between Forest City Jay Street Associates, L.P. (successor in interest to Jay Street Associates) ("Landlord") and the Debtor. The monthly rent is \$57,194.20 with a term that expires on January 31, 2012.

**Local Rule 1007-4(a)(xi)**

18. The Debtor's substantial assets are located at 345 Jay Street, Brooklyn, New York 11201.

19. The Debtor's books and records are located at 345 Jay Street, Brooklyn, New York 11201.

20. The Debtor does not own any assets outside the territorial limits of the United States.

**Local Rule 1007-4(a)(xii)**

21. There is one action currently pending against the Debtor. (See attached **Schedule III.**)

**Local Rule 1007-4(a)(xiii)**

22. The Debtor's senior management consists of William Ruzza (Director of Operations), Galit Gold (Controller) and Richard Potter (General Manager) and Michael Gold (Sales Manager).

**Local Rule 1007-4(a)(xiv)**

23. The estimated payroll to its full time and part time employees (exclusive of officers and directors) for the thirty (30) day period following the filing of the Chapter 11 petition is \$60,000.

**Local Rule 1007-4(a)(xv)**

24. The estimated amount to be paid for services to its officers, directors and senior management for the thirty (30) day period following the filing of the Chapter 11 petition is \$17,500.

**Local Rule 1007-4(a)(xvi)**

25. The estimated schedule of cash receipts and disbursements for the thirty (30) day period following the filing of the Chapter 11 petition, net cash gain or loss, obligations and receivables expected to accrue but remaining unpaid, other than professional fees shall be filed by January 29, 2010.

**CONCLUSION**

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

s/ Galit Gold  
Galit Gold, President

Sworn to before me this 22nd  
day of January, 2010

s/ Michael S. Gold  
Notary Public, State of New York  
No. 02GO8088933  
Qualified in Kings County  
Commission Expires March 17, 2011

## **SCHEDULE I**

### **List of Debtor's 20 Largest Unsecured Creditors**

**United States Bankruptcy Court**  
**Eastern District of New York**

In re Sid's Hardware & Homecenter Corp.

Debtor(s)

Case No.

Chapter

11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
AF Brooklyn 1000 South 2nd Street Harrison, NJ 07029	AF Brooklyn 1000 South 2nd Street Harrison, NJ 07029			2,104.75
Benjamin Moore Paints 203 Kuller Road Clifton, NJ 07011	Benjamin Moore Paints 203 Kuller Road Clifton, NJ 07011			20,164.92
Bulbrite 145 West Commercial Ave Moonachie, NJ 07074	Bulbrite 145 West Commercial Ave Moonachie, NJ 07074			2,037.13
Con Edison JAF Station P.O. Box 1701 New York, NY 10116-1701	Con Edison JAF Station P.O. Box 1701 New York, NY 10116-1701			17,435.61
Drywall Specialties Corp. 81-11 101st Ave Ozone Park, NY 11416	Drywall Specialties Corp. 81-11 101st Ave Ozone Park, NY 11416			6,340.00
First NY Partners 1 Metrotech Center North 11th Floor Brooklyn, NY 11201	First NY Partners 1 Metrotech Center North 11th Floor Brooklyn, NY 11201			837,170.98
Howard Berger Company 1 South Middlesex Avenue Monroe Township, NJ 08831	Howard Berger Company 1 South Middlesex Avenue Monroe Township, NJ 08831			18,961.49
L.H. Frishkoff & Company 529 Fifth Avenue New York, NY 10017	L.H. Frishkoff & Company 529 Fifth Avenue New York, NY 10017			16,514.00
N.Y.S. Dept. of Tax & Fin Bankruptcy Unit P.O. Box 5300 Albany, NY 12205	N.Y.S. Dept. of Tax & Fin Bankruptcy Unit P.O. Box 5300 Albany, NY 12205			36,478.82
Oxford Health Insurance P.O. Box 1697 Newark, NJ 07101-1697	Oxford Health Insurance P.O. Box 1697 Newark, NJ 07101-1697			6,626.09
Pacoa 7 Harbor Park Drive Port Washington, NY 11050	Pacoa 7 Harbor Park Drive Port Washington, NY 11050			18,669.80



In re **Sid's Hardware & Homecenter Corp.**

Case No. \_\_\_\_\_

Debtor(s)

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**  
(Continuation Sheet)

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
Protect-a-Bed North America LLC 624 Haverford Road Haverford, PA 19041	Protect-a-Bed North America LLC 624 Haverford Road Haverford, PA 19041			2,266.96
Reiss Wholesale Hardware 975 Georgia Avenue Brooklyn, NY 11207	Reiss Wholesale Hardware 975 Georgia Avenue Brooklyn, NY 11207			7,811.28
Satco Products, Inc. 110 Heartland Blvd. Brentwood, NY 11717	Satco Products, Inc. 110 Heartland Blvd. Brentwood, NY 11717			7,599.51
SBH Fasteners 1933 Highway 35 Suite 315 Wall Township, NJ 07719	SBH Fasteners 1933 Highway 35 Suite 315 Wall Township, NJ 07719			3,693.21
Standard Wholesale Hardware, Inc. 42 Ludlow Street New York, NY 10002	Standard Wholesale Hardware, Inc. 42 Ludlow Street New York, NY 10002			7,785.71
Sunlite 744 Clinton Street Brooklyn, NY 11231	Sunlite 744 Clinton Street Brooklyn, NY 11231			4,241.18
Tower Graphics 681 Coney Island Avenue Brooklyn, NY 11218	Tower Graphics 681 Coney Island Avenue Brooklyn, NY 11218			2,092.56
Travelers CL Remittance Center Hartford, CT 06183-1008	Travelers CL Remittance Center Hartford, CT 06183-1008			3,093.82
Wiener, Crowley & St. John, Inc. 135 Fort Lee Road Leonias, NJ 07605	Wiener, Crowley & St. John, Inc. 135 Fort Lee Road Leonias, NJ 07605			11,289.17

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date January 22, 2010

Signature /s/ Galit Gold  
Galit Gold  
President

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

## **SCHEDULE II**

### **Summary of Estimated Assets and Liabilities as of December 31, 2009**

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Accrual Basis

**SID'S HARDWARE & HOME CENTER CORP.**  
**Balance Sheet**  
 As of December 31, 2009

	Dec 31, 09
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
101 - Citibank	-9,035.59
102 - Cash - Payroll	-3,722.92
104 - Suspense account	1,909.74
Total Checking/Savings	-10,848.77
Accounts Receivable	
113 - Accounts Receivable	240,681.07
Total Accounts Receivable	240,681.07
Other Current Assets	
106 - Payroll Clearing	11,689.63
120 - Inventory	969,837.00
121 - Undeposited Funds	-341.70
12100 - Inventory Asset	-67.35
Total Other Current Assets	981,117.58
Total Current Assets	1,210,949.88
Fixed Assets	
135 - Furniture and Equipment	
136 - Accumulated Depreciation F&F	-22,843.68
135 - Furniture and Equipment - Other	23,912.26
Total 135 - Furniture and Equipment	1,068.58
139 - Autos & Trucks	
140 - Accum Depr. - Trucks	-26,148.00
139 - Autos & Trucks - Other	26,148.00
Total 139 - Autos & Trucks	0.00
141 - Office Equipment	
142 - Accum Depr. - Office Equipment	-17,522.00
141 - Office Equipment - Other	19,670.94
Total 141 - Office Equipment	2,148.94
Total Fixed Assets	3,217.52
Other Assets	
164 - Investment - True Value	64,814.25
Total Other Assets	64,814.25
<b>TOTAL ASSETS</b>	<b>1,278,981.65</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
201 - Accounts Payable	201,154.05
202 - Accounts Payable-Office Expense	823,111.16
Total Accounts Payable	1,024,265.21
Credit Cards	
205 - Advanta Credit Card - Sid's	4,050.43
Total Credit Cards	4,050.43
Other Current Liabilities	
211 - Accrued Expenses	390,670.16
212 - Citibank - Credit Line	222,217.06
213 - Citibank - Checking Plus	4,984.49
224 - Sales Tax Payable	65,838.65
230 - House Account Overpayments	7,138.48

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Accrual Basis

# SID'S HARDWARE & HOME CENTER CORP.

## Balance Sheet

As of December 31, 2009

	Dec 31, 09
240 · Payroll Liabilities	
220 · Net Payroll	4,920.25
221 · Payroll Deduction - Transit	102.37
222 · Payroll Deduction - Union Dues	287.98
Total 240 · Payroll Liabilities	<u>5,310.60</u>
Total Other Current Liabilities	<u>696,159.44</u>
Total Current Liabilities	1,724,475.08
Long Term Liabilities	
231 · Notes Payable - Avi Erdos	420,350.00
236 · Michael S. Gold Loan Payable	
236A · Chase - Credit Line	353,627.19
236 · Michael S. Gold Loan Payable - Other	100,847.00
Total 236 · Michael S. Gold Loan Payable	<u>454,474.19</u>
Total Long Term Liabilities	<u>874,824.19</u>
Total Liabilities	2,599,299.27
Equity	
300 · Opening Bal Equity	-327,004.60
301 · Common Stock	5,000.00
303 · Treasury Stock	-900,000.00
304 · Paid in Capital	18,000.00
305 · Retained Earnings	-49,133.26
307 · Accumulated Adjustments	336,853.25
Net Income	<u>-403,679.44</u>
Total Equity	<u>-1,319,964.05</u>
TOTAL LIABILITIES & EQUITY	<u>1,279,335.22</u>

### **SCHEDULE III**

#### **List of Currently Pending Action**

Civil Court of the City of New York  
County of Kings, Part 52  
L&T Index No.: 103160/2009

Forest City Jay Street Associates, L.P.

against

Sid's Hardware and HomeCenter Corp.

Attorneys for Plaintiffs:

Ellenoff Grossman & Schole, LLP  
150 East 42<sup>nd</sup> Street – 11<sup>th</sup> Fl.  
New York, NY 10017

The Plaintiff (Debtor's landlord) is seeking a warrant of eviction for the Debtor's leased premises at 345 Jay Street, Brooklyn, NY. A trial is scheduled for January 25, 2010.